

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6126**

**BILL NUMBER:** HB 1144

**NOTE PREPARED:** Feb 20, 2003

**BILL AMENDED:** Jan 28, 2003

**SUBJECT:** Regulation of Child Care Homes.

**FIRST AUTHOR:** Rep. Crawford

**FIRST SPONSOR:** Sen. C. Lawson

**BILL STATUS:** As Passed - House

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill requires a license-exempt child care provider to register with the Division of Family and Children. The bill makes conforming amendments. (The introduced version of this bill was prepared by the Board for the Coordination of Child Care Regulation.)

**Effective Date:** July 1, 2003.

**Summary of Net State Impact:** (Revised) The Family and Social Services Administration (FSSA) estimates that the maintenance of the registry of license-exempt child care providers will require additional staff and resources. FSSA estimates staff costs for two FTEs at \$65,000. This bill requires license-exempt child care providers pay a registration fee. The amount of revenue collected from the registration fee is estimated between \$20,000 and \$49,000. Given the estimated costs and revenues, the net cost to the state for the first year is estimated between \$16,000 and \$45,000. Cost for each succeeding year may be higher due to one-time registration fee collection.

**Explanation of State Expenditures:** (Revised) This bill requires FSSA to register license-exempt child care providers. The Division of Family and Children shall provide license-exempt child care providers a registration form. In addition, the Division shall create a registry for license-exempt child care providers that register with the Division. FSSA estimates that the maintenance of the registry of license-exempt child care providers will require additional staff and resources. FSSA estimates staff costs for two FTEs at \$65,000.

Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

*Background:* FSSA is responsible for licensing child care centers, licensing child care homes (with six or

more children), and registering child care ministries. There are currently 3,819 licensed child care homes in the state. This bill would require the agency to maintain a registry for at least 4,065 more child care homes. The actual number of child care homes in the state cannot be determined due to the unregulated nature of a majority of these homes.

The total number of child care homes is unknown, however, the agency maintains data on the number of legally licensed exempt providers (LLEP) operating child care homes that accept Child Care Development Fund (CCDF) vouchers. The number of LLEPs that currently receive CCDF vouchers is 4,065. During 2002 there were a total of 9,807 LLEPs that received CCDF vouchers for payment.

**Explanation of State Revenues:** (Revised) This bill allows for the collection of a registration fee and the assessment of civil penalties. Registration fees and penalties are to be deposited in the Child Care Fund.

FSSA shall collect a registration fee of \$5 per License-Exempt Child Care Provider. Estimated revenues are between \$20,000 and \$49,000. This assumes that all license exempt child care providers register in the first year. It is important to note that the bill only requires a one-time registration and not an annual registration. Thus, the amount of revenue collected in each succeeding year is dependent upon the number of new license exempt providers that register each year.

If after a hearing the Division of Family and Children determines that a facility knowingly failed to register; the Division may assess a \$100 civil penalty. The number of penalties that will be assessed is unknown and contingent upon administrative action.

*Background:* The total number of child care homes that meet the definition of a license-exempt provider is currently unknown. However, the agency maintains data on the number of legally licensed exempt providers (LLEP) operating child care homes that accept Child Care Development Fund (CCDF) vouchers. The number of LLEPs that currently receive CCDF vouchers is 4,065. During 2002 there were a total of 9,807 LLEPs that received CCDF vouchers for payment. Based upon these numbers, the amount of revenue collected from the registration fee is estimated between \$20,325 and \$49,035.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration.

**Local Agencies Affected:**

**Information Sources:** Susan Kilty, Deputy Legislative Director, Division of Family and Children, Family and Social Services Administration, 317-232-4451.

**Fiscal Analyst:** Michael Molnar, 317-232-9559